



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Brian G. Svoboda
Perkins, Coie
607 Fourteenth Street, N.W.
Washington, D.C. 20005

MAY 19 2006

RE: MUR 5697
Missouri Democratic State
Committee and Rod Anderson, in
his official capacity as Treasurer

Dear Mr. Svoboda:

On May 11, 2006, the Federal Election Commission accepted the signed conciliation agreement submitted on your client's behalf in settlement of violations of 2 U.S.C. § 441a(a)(1)(C) and 11 C.F.R. §§ 102.9(b), 110.4(c)(3), and 116.5(b), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter. Please be advised that the civil penalty in this agreement reflects unusual factors brought forth during the investigation.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. *See* 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in cursive script that reads "Elena Paoli".

Elena Paoli
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)

Missouri Democratic State Committee and)

Rod Anderson, in his official capacity as treasurer)

MUR 5697

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FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

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CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

The Commission found reason to believe that Missouri Democratic State Committee and Rod Anderson, in his official capacity as treasurer ("Respondents"), violated 2 U.S.C. § 441a(a)(1)(C) and 11 C.F.R. § 116.5 by accepting excessive contributions, and 2 U.S.C. § 432(c) and 11 C.F.R. § 102.9(b) by failing to keep proper records of disbursements.

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

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IV. The pertinent facts in this matter are as follows:

1. Missouri Democratic State Committee is a political committee within the meaning of 2 U.S.C. § 431(4).
2. Rod Anderson is the current treasurer of the Missouri Democratic State Committee ("MDSC"). He was not treasurer of MDSC at the time of the events described herein.
3. The Federal Election Campaign Act of 1971, as amended, ("the Act") provides that no person shall make contributions to a political committee in any calendar year that in the aggregate exceed \$5,000. 2 U.S.C. § 441a(a)(1)(C).
4. During the 2002 election cycle, the Respondents accepted \$188,295 in excessive contributions from individuals and political committees. MDSC transferred out most of the excessive portions of the \$188,295 in contributions to its non-federal account, leaving \$38,770 in excessive contributions in its federal account. The Respondents did not report to the Commission the receipt of the excessive portion of these contributions or the transfer of the excessive portion of the contributions to the non-federal account.
5. A candidate or committee receiving an anonymous cash contribution in excess of \$50 shall promptly dispose of the amount over \$50. The amount over \$50 may be used for any lawful purpose unrelated to any Federal election, campaign, or candidate. 11 C.F.R. § 110.4(c)(3).
6. MDSC accepted three anonymous cash contributions that exceeded the applicable contribution limit of \$50 by \$5,675.
7. When an individual uses his or her personal funds, including a personal credit card, to pay for goods or services used by or on behalf of a candidate or political committee,

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that payment is a contribution unless the payments falls under certain exceptions for travel. 11 C.F.R. § 116.5.

8. During calendar year 2002, the Respondents reimbursed an employee thirteen times for expenditures totaling \$35,406. The respondents classified these expenditures as travel expenses. Documentation demonstrating that the expenditures were timely reimbursed was available for two reimbursements, totaling \$4,759. Respondents did not maintain documentation to demonstrate that the employee was timely reimbursed for the remaining \$30,647 and that, therefore, the employee did not make excessive contributions to Respondents in the form of staff advances. After deducting the allowable contribution limit of \$5,000 and the allowable travel allowance of \$2,000, the Commission found that the remaining reimbursements, \$23,647, represent contributions to the Respondents by the employee that in the aggregate exceed contribution limits. Respondents contend that the facts do not support a finding of excessive contributions through staff advances. However, in order to settle this matter, Respondents will not further contest the Commission's finding in this regard.
9. The treasurer of a political committee shall keep an account of the name and address of every person to whom any disbursement is made, the date, amount, and purpose of the disbursement, including a receipt, invoice, or cancelled check for each disbursement in excess of \$200. 2 U.S.C. § 432(c)(5) and 11 C.F.R. § 102.9(b)(2).
10. A sample review of the Respondents' operating expenditures revealed a material number of expenditures greater than \$200 for which there were no canceled checks, wire notices, or other adequate documentation. The Respondents also could not document a \$5,552 coordinated expenditure.

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11. Respondents contend that the findings described herein reflect lapses in internal procedures and inadvertent errors, which they have since taken steps to remedy.

V. 1. Respondents accepted \$38,770 in excessive contributions in violation of 2 U.S.C. § 441a(a)(1)(C).

2. Respondents accepted \$5,675 in excessive contributions in the form of anonymous cash contributions in violation of 2 U.S.C. § 441a(a)(1)(C) and 11 C.F.R. § 110.4(c)(3).

3. Respondents accepted excessive contributions in the form of untimely reimbursement of staff advances in an aggregate amount not exceeding \$23,647 in violation of 2 U.S.C. § 441a(a)(1)(C) and 11 C.F.R. § 116.5(b).

4. Respondents failed to keep proper documentation for disbursements greater than \$200 in violation of 2 U.S.C. § 432(c) and 11 C.F.R. § 102.9(b).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of twenty thousand dollars (\$20,000), pursuant to 2 U.S.C. § 437g(a)(5)(B). In considering the appropriate civil penalty in this matter, the Commission is aware that the Committee has recently paid a \$110,000 civil penalty in connection with MUR 5611 and has incurred costs to comply with that conciliation agreement, including engaging a compliance consultant and hiring a certified public accountant as a full-time employee. The Committee also is conducting a reconciliation and review of its 2004 Election Cycle Reports and has agreed to have independent compliance audits conducted for calendar years 2005 and 2006. The Commission recognizes the Committee's remedial measures, which were instituted after the violations described herein occurred, and would rather the Committee use its current limited resources to further those efforts.

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VII. Respondents will cease and desist from further violation of 2 U.S.C. §§ 432(c) and 441a(a)(1)(C) and 11 C.F.R. §§ 102.9(b), 110.4(c)(3), and 116.5(b).

VIII. Respondents reaffirm their agreement to comply with the terms of the conciliation agreement in MUR 5611, including but not limited to ¶¶ VII - XII.

IX. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

X. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

XI. Respondent(s) shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

XII. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

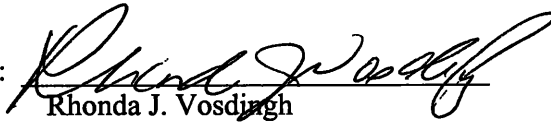
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oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence H. Norton
General Counsel

BY:



Rhonda J. Vosdignh
Associate General Counsel
for Enforcement

Date

5/19/06

FOR THE RESPONDENTS:

BY:



Corey Dillon
Executive Director

Date

4/25/06

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